

Department of Finance

Analyst: Bybee

Historical Summary

OPERATING BUDGET	FY 2007 Total App	FY 2007 Actual	FY 2008 Approp	FY 2009 Request	FY 2009 Gov Rec
BY FUND CATEGORY					
Dedicated	4,805,200	4,804,400	5,139,800	5,529,200	5,619,900
Percent Change:		0.0%	7.0%	7.6%	9.3%
BY OBJECT OF EXPENDITURE					
Personnel Costs	3,414,500	3,341,700	3,666,200	3,849,900	3,950,100
Operating Expenditures	1,258,700	1,330,700	1,370,900	1,482,700	1,467,200
Capital Outlay	132,000	132,000	102,700	196,600	202,600
Total:	4,805,200	4,804,400	5,139,800	5,529,200	5,619,900
Full-Time Positions (FTP)	51.00	51.00	52.00	52.00	52.00

Department Description

Originally created by the State Legislature in 1905, the Department of Finance is a regulatory agency charged with the supervision and oversight of state-chartered financial institutions, regulated lenders, securities issuers, broker-dealers and stockbrokers, residential mortgage brokers and lenders, investment advisers and sales personnel, collection agencies, endowed care cemeteries, and others.

The mission of the department is to aggressively promote access to vigorous, healthy and comprehensive financial services for Idaho citizens. This is accomplished through prudent and efficient oversight of financial institutions, investment opportunities, and credit transactions. Through administration of laws enacted by the Idaho Legislature, legitimate financial transactions are encouraged, while fraud, unsafe practices, and unlawful conduct are detected and appropriate enforcement action is taken. The department administers and enforces 22 regulatory statutes and is funded entirely by fees levied by law on the industries subject to its supervision.

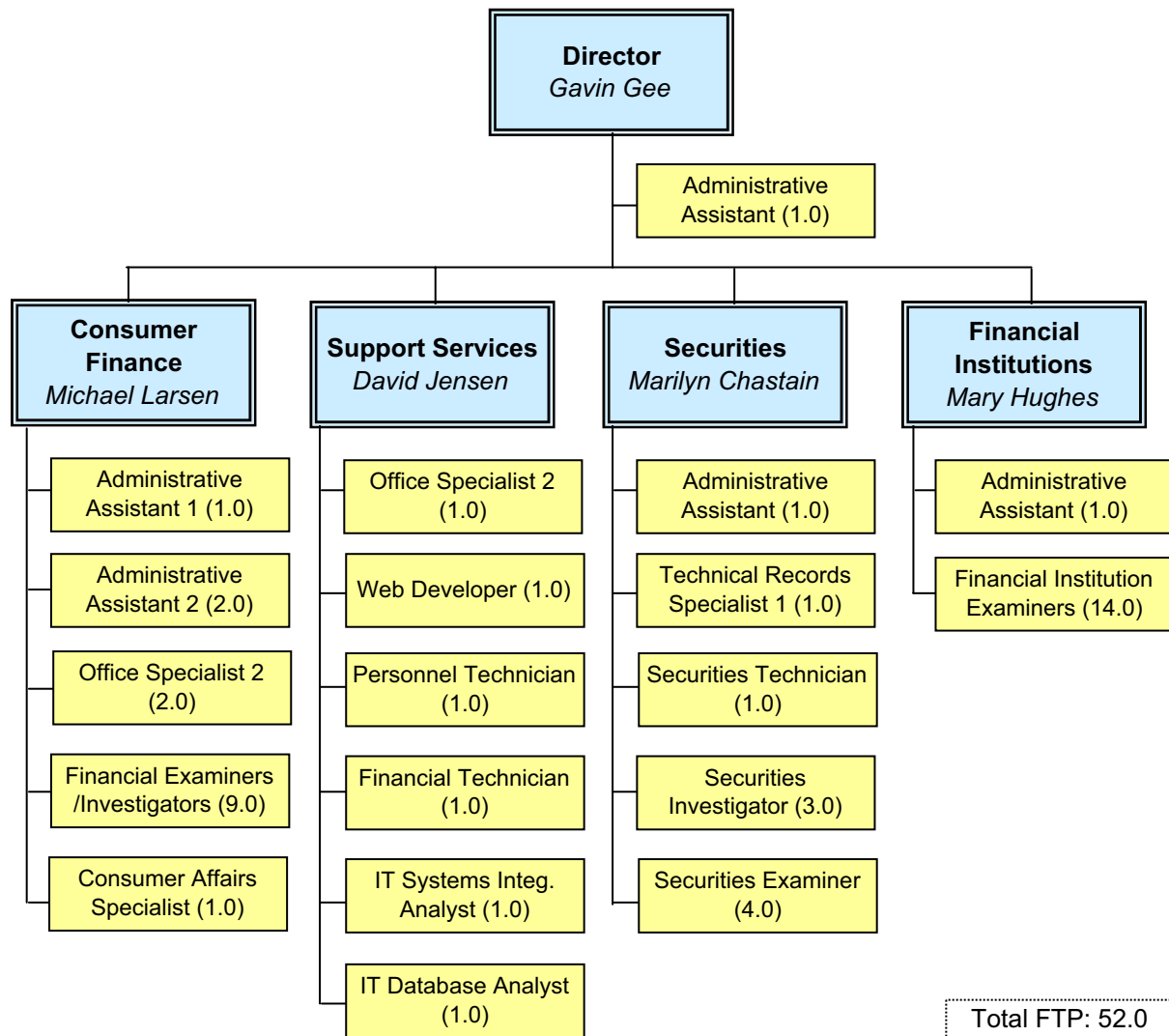
[Statutory Authority: Idaho Code §67-2701 et seq.]

Department of Finance

Agency Profile

Analyst: Bybee

Organizational Chart



Department of Finance

Agency Profile

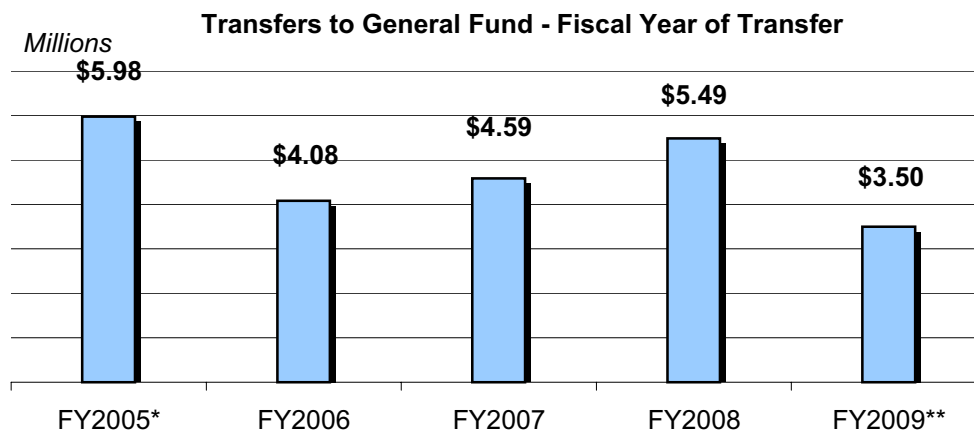
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Selected Measures

CASE MANAGEMENT/SERVICES PROVIDED	FY 2004	FY 2005	FY 2006	FY 2007
Financial Institutions Examined				
Banks	32	23	25	30
Savings Banks	1	0	0	0
Credit Unions	39	39	32	29
Collection Agencies	41	30	32	44
Licenses Issued				
Money Transmitters	42	44	44	38
Consumer Credit Lenders	2,931	3,175	1,875*	1,550
Collection Agencies (Permit Renewals)	536	564	608	654
Solicitors/Collectors	47,244	61,914**	46,466	57,076
Securities Brokers/Dealers	1,520	1,522	1,524	1,554
Securities Salesmen Agents	59,262	63,102	67,459	75,844
Securities Investment Advisors	672	740	815	873
Securities Investment Advisor Agents	1,154	1,336	1,513	1,734
Residential Mortgage Brokers/Lenders	1,541	1,586	1,857	1,908
Mortgage Loan Originators	N/A	N/A	3,920***	4,716

*Decreased due to deregulation of "sellers" under the Idaho Credit Code (2006 law amendments).
 **Fluctuation due to database reporting error (no impact on fee collection).
 ***Loan originator licensing was implemented January 1, 2006.

GENERAL FUND TRANSFERS



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Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2008 Original Appropriation	52.00	0	5,139,800	52.00	0	5,139,800
Removal of One-Time Expenditures	0.00	0	(133,000)	0.00	0	(133,000)
FY 2009 Base	52.00	0	5,006,800	52.00	0	5,006,800
Benefit Costs	0.00	0	122,900	0.00	0	122,900
Inflationary Adjustments	0.00	0	15,500	0.00	0	0
Replacement Items	0.00	0	217,200	0.00	0	220,200
Statewide Cost Allocation	0.00	0	26,000	0.00	0	26,000
Change in Employee Compensation	0.00	0	32,200	0.00	0	161,000
FY 2009 Program Maintenance	52.00	0	5,420,600	52.00	0	5,536,900
1. Position Reclassification	0.00	0	28,600	0.00	0	0
2. Additional Vehicle	0.00	0	22,000	0.00	0	25,000
3. Contract Employees	0.00	0	48,000	0.00	0	48,000
4. Encrypted Secure Email	0.00	0	10,000	0.00	0	10,000
FY 2009 Total	52.00	0	5,529,200	52.00	0	5,619,900
Change from Original Appropriation	0.00	0	389,400	0.00	0	480,100
% Change from Original Appropriation			7.6%			9.3%

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2008 Original Appropriation	52.00	0	5,139,800	0	5,139,800
Removal of One-Time Expenditures					
Remove funding provided for one-time items.					
Agency Request	0.00	0	(133,000)	0	(133,000)
Governor's Recommendation	0.00	0	(133,000)	0	(133,000)
FY 2009 Base					
Agency Request	52.00	0	5,006,800	0	5,006,800
Governor's Recommendation	52.00	0	5,006,800	0	5,006,800
Benefit Costs					
Reflects \$2,075 per position or a 29% increase in employer-paid health insurance premiums from \$7,125 to \$9,200 per year. This increase is artificially inflated since the rates have been frozen for the last two years, with increases being covered from reserves.					
Agency Request	0.00	0	122,900	0	122,900
<i>The Governor recommends funding the employer increase in health insurance, and does not remove the funding for their PERSI rate increase that was included in the request. Recently, the PERSI Board voted not to increase the contribution rate for the upcoming fiscal year.</i>					
Governor's Recommendation	0.00	0	122,900	0	122,900
Inflationary Adjustments					
This inflationary adjustment is arrived at by subtracting one-time funding and statewide allocation plan costs from the base and calculating a customized increase for all remaining operating costs. This amount represents a flat increase of all objects by 1.75%.					
Agency Request	0.00	0	15,500	0	15,500
<i>Inflationary increases are provided only for contractual obligations such as leased space costs. Other inflationary requests are not recommended.</i>					
Governor's Recommendation	0.00	0	0	0	0
Replacement Items					
Replacement items include a van \$22,000, eight servers (\$12,000 each/ \$96,000 total), 18 desktop computers (\$1,500 each/ \$27,000 total), one storage area network \$20,000, and two document scanners (\$4,800 each/ \$9,600 total) in capitol outlay for a total of \$174,600. Operating replacement items include software maintenance subscriptions, \$9,000; Software Enterprise Agreement (year 2 of 3) \$16,000; training and reference material for IT security \$6,000; printer cleaning and maintenance \$2,000; and copier leases for \$9,600.					
Agency Request	0.00	0	217,200	0	217,200
<i>The Governor recommends \$3,000 in additional funding for a statewide vehicle fleet management initiative to convert as many vehicles as possible to hybrid or other fuel efficient/low emission vehicles. These additional funds may only be used to implement the Governor's Fossil Fuel/Greenhouse Gases Initiative. Any unspent funds appropriated for this purpose will be reverted at year-end, regardless of funding source.</i>					
Governor's Recommendation	0.00	0	220,200	0	220,200
Statewide Cost Allocation					
Agency Request	0.00	0	26,000	0	26,000
Governor's Recommendation	0.00	0	26,000	0	26,000
Change in Employee Compensation					
Agencies were instructed to input a CEC based on a 1% calculator.					
Agency Request	0.00	0	32,200	0	32,200
<i>The Governor recommends a compensation increase of 5% to be distributed based on merit.</i>					
Governor's Recommendation	0.00	0	161,000	0	161,000
FY 2009 Program Maintenance					
Agency Request	52.00	0	5,420,600	0	5,420,600
Governor's Recommendation	52.00	0	5,536,900	0	5,536,900

Department of Finance

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
1. Position Reclassification					
The Department of Finance requests \$28,600 dedicated, ongoing funding for position reclassifications for four Financial Examiner/Investigator positions and one Financial Specialist. According to the Department of Finance, these steps are necessary to keep with succession planning and employee development goals by instituting an investigator/examiner career ladder. It will also upgrade the Financial Technician to Specialist as approved by DHR in 2006. This request will benefit several Department of Finance stakeholders, including the financial services industries of which the Department has oversight.					
Agency Request	0.00	0	28,600	0	28,600
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
2. Additional Vehicle					
The Department of Finance requests one vehicle bringing the total fleet to eight vehicles. The seven vehicles currently in the fleet are used by 30 examiners or investigators working for the Department. Examiners spend as much as 40% of their work time traveling. In addition, regulatory cases have seen a 14% growth and the agency has been authorized to hire additional examiners/investigators over the past 24 months. An additional vehicle will help the Department continue regulating cases and keep up with growth.					
Agency Request	0.00	0	22,000	0	22,000
<i>The Governor recommends \$3,000 in additional funding for a statewide vehicle fleet management initiative to convert as many vehicles as possible to hybrid or other fuel efficient/low emission vehicles. These additional funds may only be used to implement the Governor's Fossil Fuel/Greenhouse Gases Initiative. Any unspent funds appropriated for this purpose will be reverted at year-end, regardless of funding source.</i>					
Governor's Recommendation	0.00	0	25,000	0	25,000
3. Contract Employees					
This decision unit reflects a request to contract for two clerical employees. According to the Department of Finance, these employees will help meet workload demands that cannot be alleviated with current staff levels. In the past, these demands of high workload have been met through current clerical and professional employees working extended hours, earning compensatory time. The Department has continued licensee growth in all areas it regulates and demands have increased [ongoing].					
Agency Request	0.00	0	48,000	0	48,000
Governor's Recommendation	0.00	0	48,000	0	48,000
4. Encrypted Secure Email					
The Department of Finance requests ongoing, dedicated funding to install and maintain a secure email system. According to the agency, there is an urgent need for secure communication with American Share Insurance, which insure half of the state-chartered credit unions. The secure email system will be available for use by all the bureaus.					
Agency Request	0.00	0	10,000	0	10,000
Governor's Recommendation	0.00	0	10,000	0	10,000
FY 2009 Total					
Agency Request	52.00	0	5,529,200	0	5,529,200
Governor's Recommendation	52.00	0	5,619,900	0	5,619,900
Agency Request					
Change from Original App	0.00	0	389,400	0	389,400
% Change from Original App	0.0%		7.6%		7.6%
Governor's Recommendation					
Change from Original App	0.00	0	480,100	0	480,100
% Change from Original App	0.0%		9.3%		9.3%